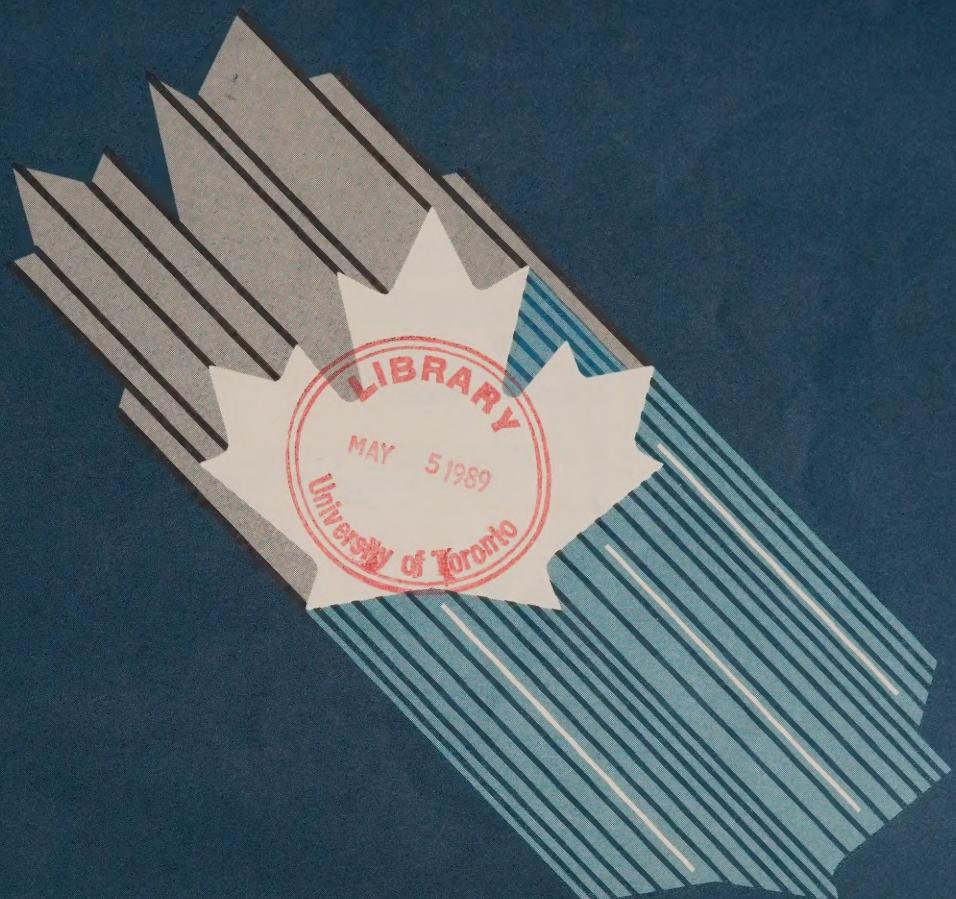


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P R O F I L E

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Industry, Science and
Technology Canada

Industrie, Sciences et
Technologie Canada

Retail Grocery

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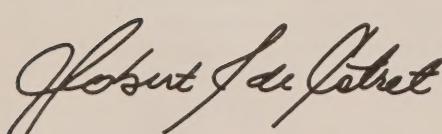
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FOREWORD

• • • • •

In a rapidly changing global trade environment, the international competitiveness of Canadian industry is the key to survival and growth. This Industry Profile is one of a series of papers which assess, in a summary form, the current competitiveness of Canada's industrial sectors, taking into account technological and other key factors, and changes anticipated under the Canada-U.S. Free Trade Agreement. Industry participants were consulted in the preparation of the papers.

The series is being published as steps are being taken to create the new Department of Industry, Science and Technology from the consolidation of the Department of Regional Industrial Expansion and the Ministry of State for Science and Technology. It is my intention that the series will be updated on a regular basis and continue to be a product of the new department. I sincerely hope that these profiles will be informative to those interested in Canadian industrial development and serve as a basis for discussion of industrial trends, prospects and strategic directions.



Minister

Canada

1. Structure and Performance**Structure**

Retail grocery is a domestic service industry which includes establishments primarily engaged in selling, to consumers, a general line of groceries such as canned and frozen foods, prepared meats and fresh fruits, as well as such non-food articles as health and beauty aids, housewares and plants. Also included in the industry are specialty establishments such as bakeries, butcher shops, and fruit and vegetable stores.

1986 DISTRIBUTION OF SALES

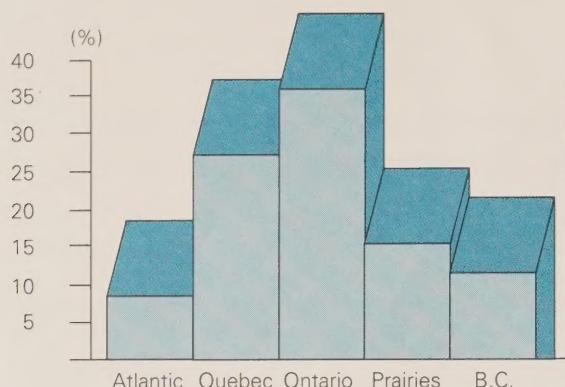
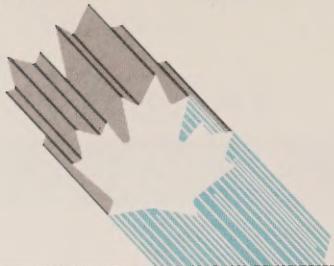
Major Sub-sector	% of Grocery Sales
Combination stores (supermarkets)	72
Grocery, confectionery and sundries stores	20
Specialty food stores	8

Combination stores are defined as grocery stores with fresh meat sales of more than 20 percent of total sales. These are the familiar supermarket-type operations. Grocery, confectionery and sundries stores are grocery stores with fresh meat sales of 20 percent or less. This category includes corner grocery stores and convenience stores. Specialty food stores deal in one line of food only, for example, butcher shops, bakeries, delicatessens and ice cream stores.

In 1986, 40 416 retail grocery establishments generated \$34.6 billion in sales and provided employment for 241 400 persons. The industry's share of real Gross Domestic Product (GDP) in 1986 was 1.1 percent. Retail grocery outlets are located in all regions of the country, and the regional distribution of sales is closely tied to the size, density and income of the population. These sales figures do not reflect the grocery sales by other types of retail outlets, the major ones being department stores and drug stores. In 1986, these two store types alone generated an estimated \$1.5 billion in grocery sales.

Canada's small population and large geographic size encourage concentration and the formation of large retail grocery organizations, thus enabling the industry to be as efficient as possible. In this sense, the structure of the retail grocery industry does not differ from many other retail sectors, such as department stores, clothing stores, pharmacies and jewellery stores. The structure and level of concentration of the industry in Canada are similar to those found in countries such as the Federal Republic of Germany, Australia and the United Kingdom, among others.

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Total Sales (\$34 631 million) by Region, 1986

Although the majority of retail grocery firms are small, owner-managed businesses, the retail grocery industry is dominated by several multi-billion dollar grocery distribution organizations. According to a 1985 study conducted by Nielsen Marketing Research, the top 10 retail grocery organizations generated 83 percent of grocery store sales in Canada. The industry is one of the most vertically integrated in retail trade and these large organizations are generally involved in both the retailing and wholesaling of food and related products. Large retail grocery chains operate their own warehouses/distribution centres. They may also have separate grocery wholesaling subsidiaries which supply both corporately owned and independent stores. In addition, some are involved in the processing of food products. In 1986, out of a total of 112 grocery chains, the 18 chains with sales of over \$200 million operated 3220 stores.

Large grocery wholesalers, many of which also operate their own retail grocery store outlets, sponsor voluntary groups* of independent retail grocery stores such as the Independent Grocers Alliance (IGA). Some of the voluntary groups include co-operatives in which each retailer owns shares of the organization, including the warehouse/distribution operations.

Co-operative grocery stores owned by consumers also exist in Canada. These stores generally provide a wide range of services such as food products, dry goods and drugs. Consumer co-operatives have met with some success in British Columbia, the Prairie provinces and the Atlantic region.

In 1983, foreign-controlled companies accounted for 18 percent of industry sales, up from 16 percent in 1975. Just 19 percent of assets in the retail grocery industry were owned by foreign-controlled firms in 1983, compared to 25 percent in 1975. The more recent acquisitions of some Dominion stores' assets and Woodward's grocery store operations by foreign-controlled firms are not expected to change the level of foreign ownership significantly. The major foreign-owned corporations are Canada Safeway, A&P and Seven-Eleven.

Several major Canadian grocery retailers, including Loblaws Co. Ltd., Provigo Inc., Sobeys Stores Ltd., Steinberg Inc. and Silcorp Ltd., own and operate retail grocery outlets in the United States and, in some cases, grocery wholesaling subsidiaries as well. These U.S. operations generated more than \$4 billion in sales in 1986. Because of the limited size of the Canadian market, continued U.S. expansion by these and other major Canadian firms is anticipated in the coming years.

Grocery retailers also import various products, either directly or through food brokers. In general, these are products not available on the domestic market (specialty or exotic foods) and are seasonal. Some large organizations with extensive ranges of private label products, such as Provigo and Loblaws, have begun to export such items.

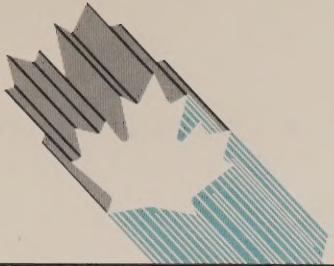
Performance

Grocery store sales have been fairly flat during the 1980s, increasing by only one to two percent per year after adjusting for inflation. Increases in population and income have a direct influence on the growth of grocery store sales, and both have grown only moderately during the decade. Consequently, during the 1980s, the retail grocery industry's share of total GDP has remained stable at 1.1 percent and at 15 percent of total retail GDP.

The steady growth rate for the retail grocery industry as a whole masks considerable variation in sales performance within the different sub-sectors. During the 1980-86 period, sales by the combination stores sub-sector (major supermarkets) increased by only 53 percent. This compares with sales increases of almost 80 percent in grocery, confectionery and sundries stores, and 93 percent in specialty food stores.

In 1986, the independents (three stores or less) once again took market share away from chain store organizations (four stores or more under common ownership). The chain store share of the market has dropped from 56.4 percent in 1980 to 53.6 percent in 1986.

* Groups of independent businesses within an industry joined together on a horizontal basis to benefit from such things as a common name and bulk purchasing.



Despite relatively modest real sales growth, employment increased by almost 30 000, or 14 percent, between 1983 and 1986. Some of the factors behind this increase include the trend towards longer store hours, increased use of part-time labour and the growing market share of independent grocery retailers, which tend to employ more people per store than the corporate chains because of their greater emphasis on personal service.

The 1980s have been a period of important change in the retail grocery industry. Large blocks of retail stores have changed ownership and have been restructured. Some large retail organizations have disappeared entirely, while others have made store divestitures and acquisitions in order to build on their regional strengths. Market shares have also been altered in some regions. For example, the break-up of Dominion Stores and the recent acquisition by Canada Safeway of Woodward's foodstores have resulted in increased concentration in some western Canadian and Ontario markets. Further changes may occur as Steinberg restructures its grocery distribution operations in Ontario and Quebec.

According to investment data (only available for combination stores), total capital and repair investment in retail grocery declined in real terms during 1981-86. In addition, most investment has been on machinery and equipment, indicating that old stores are being closed or renovated to improve sales and efficiency, rather than new stores being opened. The bulk of the investment is undertaken by a few leading companies that have had extensive programs either to renovate existing stores or to expand their network of large superstores. Companies also have been increasing the use of labour-saving technology such as electronic point-of-sale systems and computerized inventory control.

Grocery retailing is a highly competitive industry and profit margins are low. Net profit before taxes averaged 1.4 percent of sales between 1980 and 1985, slightly below the 1.6 percent average of the 1970s. More recent data (for large retail grocery corporations only) indicate a recovery to two percent in 1986 and 1987 as sales appear to have increased more rapidly than operating expenses. Returns on equity and on capital employed in the retail grocery industry have been substantially lower in the 1980s than the average returns in the retail industry as a whole. For example, in 1985 the returns on equity and capital employed in retail grocery averaged 8.7 percent and 6.3 percent respectively, compared to 11 percent and 8.1 percent for the retail industry as a whole (excluding "other stores," such as liquor and beer stores).

Profit figures also vary with the size of the store. The *Canadian Grocer Magazine* 1987 survey of grocery store operations indicates that net profit before tax was 2.21 percent of sales for stores with sales of less than \$5 million, 1.54 percent for \$5 million to \$14 million in sales and 2.75 percent for stores with more than \$14 million in sales. These results demonstrate why leading chains are shifting to larger stores to improve their profitability.

2. Strengths and Weaknesses

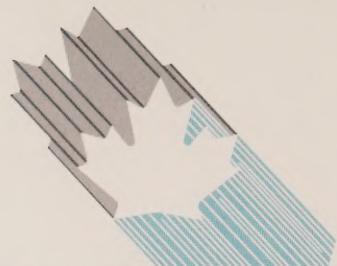
Structural Factors

The strengths and weaknesses of a domestic service industry such as grocery retailing are assessed in terms of its efficiency and effectiveness in the Canadian economy, and its relative efficiency by comparison with counterpart industries in other countries.

Key factors of success for grocery retailers are their marketing skills and ability to meet consumer demands in price, service and product range. The retail practices and techniques of the Canadian industry are quite sophisticated and successful. Canadian sales per square metre of selling space are higher than U.S. standards, particularly in the large-store category.

Within the combination (supermarket) store sub-sector, which comprises both large chains and large independent groceries, chains have been losing market share to independent retailers. This trend has resulted in a market share drop from 68.7 percent in 1980 to 64.8 percent in 1986, with a further decline in 1987. Part of this is due to the fact that independents can be more competitive in price and service, as many of them are supported by major wholesalers. These affiliated independents also have lower labour, operating and head office costs than the larger grocery chains. In an effort to improve their competitive position, the major chains have closed or sold unprofitable units, tried new store formats and, in some cases, moved into wholesaling. They have also attempted to lower their labour costs through better use of part-time labour.

The reverse situation holds true in the grocery, confectionery and sundries stores sub-sector (convenience and corner stores) where chain retailers have seen their market share rise from 21.8 percent in 1980 to 30 percent in 1986. Convenience store chains, with their more aggressive merchandising practices, advertising and buying strengths, and ability to secure good locations (along with the larger supermarkets), have been slowly dislodging the independent corner grocery store from the marketplace. However, the convenience chains also face increased competition from the major supermarkets, with their lengthened working days. In response, convenience stores have been broadening the range of their products and services.



In the specialty food sub-sector, independents still remain dominant with more than 90 percent of total sales. Specialty stores, such as ethnic food outlets, produce outlets and meat markets, often require more labour-intensive merchandising practices, service and product knowledge. The independents can often develop a competitive advantage over a large chain by emphasizing these areas.

Trade-related Factors

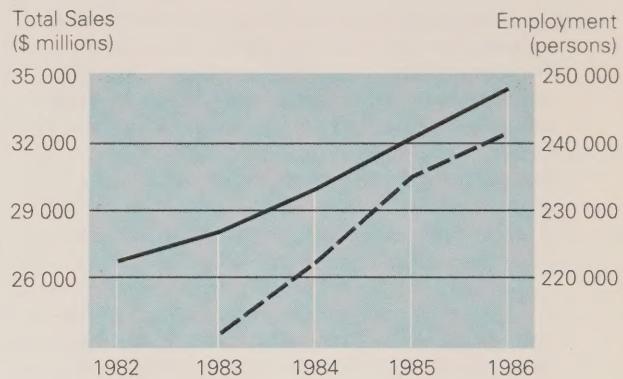
Trade constraints, such as duties and import quotas, limit grocery retailers' access to supply sources, resulting in higher prices for consumers. Retailers that have expanded into other countries face similar trade barriers that restrict their ability to obtain certain items from their Canadian supply base. Nevertheless, by developing private labels or store brands, some retailers have entered the export market successfully.

The elements of the Canada-U.S. Free Trade Agreement (FTA) that affect the grocery retail industry include the removal of tariffs over a 10-year period on most grocery and processed and semi-processed agricultural products, easier temporary entry of corporate representatives and continued national treatment regarding the establishment or acquisition of business activities.

Technological Factors

Within the retail industry, grocery retailers are generally leaders in introducing new technology. Automation at the grocery store level has been increasing steadily over the past decade. Large grocery chains have been the trendsetters, with point-of-sale scanning equipment, inventory-control systems, credit authorization terminals and electronic cash registers.

Canadian grocery retailers are following the United States closely in the use of scanning equipment. Nielsen Marketing Research estimated that, in 1986, 51 percent of U.S. grocery store sales were in scanner-equipped stores. Forecasts indicate that, by 1991, this percentage should reach 68 percent. In comparison, by the end of 1987, there were more than 943 stores in Canada equipped with scanners, representing 34 percent of grocery store sales. The number of Canadian stores using this technology is expected to increase during the next few years, particularly as more voluntary group wholesalers encourage their affiliated independents to adopt scanning. Other factors that will support this trend include declining prices of equipment, increased variety of hardware and software, and a very competitive marketplace.



Total Sales ——————
Employment - - - - -

Total Sales and Employment

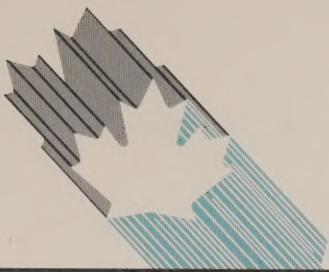
Direct product profitability (DPP) analysis permits a determination of just how profitable each product is by taking into account all the various costs associated with moving a product from the manufacturer to the retailer. This innovation is expected to become an essential management tool in the grocery retailing business and to help retailers make better purchasing decisions.

Electronic data interchange (EDI) is a relatively new technology that permits computer-to-computer transmission between companies of business messages, orders, invoices and other data. The advantages of using EDI include faster payment of bills and credit adjustments, faster and more efficient order filling, and better delivery schedules and inventory control. It is currently being widely used by one of the leading grocery retailers and others are expected to follow. Companies without EDI, in the near future risk falling behind EDI-equipped competitors who are using it to reduce costs, improve productivity and gain market share.

Other Factors

Tax reform and transportation deregulation are particularly important to the retail grocery industry.

The first phase of tax reform should have a positive impact on the financial position of grocery retailers, as personal income tax and effective corporate tax rates decline. Even though current proposals call for the exclusion of food from federal sales tax reform, the effect of the second phase and the proposed sales tax changes on the pricing structure, markets and competitive status of grocery retailers, is uncertain at this time.



Transportation deregulation in Canada should provide grocery retailers with opportunities for transportation cost reductions and efficiency improvements. However, the industry remains concerned that some provinces may not proceed with certain aspects of trucking deregulation, thereby limiting some of the potential gains.

The sale of beer and wine in stores and Sunday opening hours are issues that continue to draw considerable interest in the industry, particularly in Ontario and Quebec. Changes in these areas could alter the competitive status among food retailers and between food and non-food retailers.

3. Evolving Environment

Demographic changes and new consumer lifestyles (working women, plus older, male and ethnic shoppers) are creating immense challenges for grocery retailers. The varied tastes and behaviour of consumers are encouraging market segmentation and multiple-store formats to serve the consumer needs more effectively. A variety of different types of convenience stores are joining the traditional supermarket, including specialty food stores, health food stores, superstores, food terminals and grocery-drug combination stores. In addition, a growing number of non-grocery retailers (e.g., mass merchandisers, gas stations and drug stores) are devoting more space to grocery products at the same time as grocery retailers are offering more non-grocery or food items. Retailers of all types are searching for ways to increase sales and profits by adjusting their product mix.

Restaurants are providing increased competition for grocery retailers. The retail grocery industry has responded with more specialty items, prepared foods, delicatessens and, in some cases, diversification into the food-service business. However, such factors as the growing take-out and home delivery services of restaurants and the continued high participation rate of women in the work force will require grocery retailers to become even more innovative and service-oriented if they are to regain some of this market.

Today's competitive market environment highlights the need for better market information, increased responsiveness to customer needs and overall improvements in productivity. As a result, grocery retailing will continue to place greater reliance on the application of computer-information technologies. Management also will have to take a more sophisticated approach in dealing with the complexities of operating a variety of retail formats and large superstores.

The increased demand for one-stop shopping convenience, prepared foods and specialty items should favour the establishment of larger superstores in major centres. Managers will also need to be flexible and responsive to local market conditions. Companies have come to appreciate the flexibility and efficiencies of the wholesaler-linked independent franchise operations, which will likely continue to gain market share.

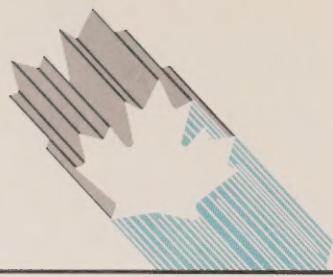
In the longer term, with slow population growth, aggressive competition for market share will continue. The industry will also continue to be dynamic. Grocery retailers will have to be innovative and sensitive to customer needs to survive.

The FTA contains a number of significant elements for Canadian grocery retailers. The removal of tariffs, over a period of 10 years, for most grocery and processed and semi-processed agricultural products, the easier temporary entry of business persons, as well as continued national treatment in the establishment of new business, and acquisition or sale of existing business, all will affect competition in the industry indirectly. Continued secure access to the U.S. market for goods and investment is particularly important for major retail grocery organizations given the limited size of the Canadian market. The FTA will open new sourcing opportunities for grocery retailers in Canada and lower consumer prices in some product areas. However, the value of the dollar and the import restrictions on a number of primary products (milk, cheese, ice cream, yogurt, chicken, turkey and eggs) will continue to place some limitations on sourcing practices for these goods.

4. Competitiveness Assessment

Since the 1981-82 economic downturn, grocery retailers have been adjusting to a more competitive environment and making efforts to improve their productivity. The Canadian industry is very progressive and dynamic. It compares well with its counterpart in the United States and is in a good position to meet the demands of the Canadian market. In a situation of slow population growth and significant demographic changes, understanding and managing change are major challenges facing grocery retailers today.

The major supermarket chains that have been losing market share to voluntary groups of independents face a major challenge in trying to offset some of the cost and other advantages that such businesses enjoy. More aggressive store renovation programs and new store formats may help to slow or reverse this trend.



Any gains in market share for individual grocery retailers come mainly at the expense of other grocery retailers. In this highly competitive environment, the more innovative and aggressive companies have been displacing the weaker ones.

The FTA will have an overall beneficial impact on broadening sources of supply, facilitating the free flow of new concepts and innovations, and encouraging competition in the grocery retail industry.

For further information concerning the subject matter contained in this profile, contact:

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Attention: Retail Grocery
235 Queen Street
Ottawa, Ontario
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(613) 954-2962



PRINCIPAL STATISTICS

SIC(s) COVERED: 601* (1980)

	1973	1981	1982	1983	1984	1985	1986
Establishments	N/A	28 295	29 634	31 983	32 792	35 584	40 416
Employment	N/A	N/A	N/A	212 100	222 900	235 400	241 400
Sales (\$ millions)*							
Chain stores	5 065	13 707	14 719	15 299	16 324	17 418	18 540
Independents	4 318	10 795	12 073	12 987	13 865	14 838	16 091
Total	9 383	24 502	26 792	28 286	30 189	32 256	34 631
Gross domestic product (constant 1981 \$ millions)	N/A	3 834.5	3 382.7	3 489.2	3 666.0	3 824.8	4 009.7
(% of total)	N/A	1.2	1.1	1.1	1.1	1.1	1.1

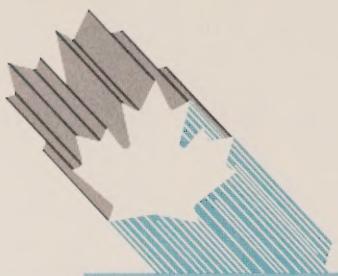
TRADE STATISTICS

	1973	1981	1982	1983	1984	1985	1986
Investments (constant 1981 \$ millions)							
Capital	N/A	212.7	215.3	196.3	224.8	183.3	154.8
Repair	N/A	75.9	66.5	69.3	59.1	61.4	60.8
Total	N/A	288.6	281.8	265.6	283.9	244.7	215.6
Profitability (after tax)							
Total income (%)	1.3	1.2	1.1	1.1	1.1	1.0	N/A
Equity (%)	7.4	11.4	10.1	9.2	9.5	8.7	N/A
Capital employed (%)	5.9	8.1	7.2	6.7	6.9	6.3	N/A
Debt							
Long-term debt-to-equity (%)	20.6	32.0	30.6	30.1	30.0	32.3	N/A
Sales-to-inventory (times)	15.6	15.8	16.3	16.0	15.7	15.8	N/A

REGIONAL DISTRIBUTION — Average over the last 3 years

	Atlantic	Quebec	Ontario	Prairies	B.C.**
Establishments – % total	10.8	38.4	26.2	13.1	11.5
Employment – % total	7.8	27.3	41.0	14.6	9.5
Sales – % total	8.1	27.5	36.5	15.9	12.0

(continued)



MAJOR FIRMS

Name	Ownership	Major Regions of Activity	Annual Sales*** (billions of dollars)
Loblaws Co. Ltd.	Canadian	National	5.7
Steinberg Inc.	Canadian	Ontario, Quebec	3.5
Canada Safeway Ltd.	American	Western Canada	3.5
A&P Co.	American/German	Ontario	2.3
Sobeys Stores Ltd.	Canadian	Eastern Canada	1.9
Silcorp Ltd.	Canadian	Quebec, Ontario, Western Canada	0.7
Metro-Richelieu Inc.	Canadian	Quebec	1.9
Oshawa Group Ltd.	Canadian	National	3.3
Provigo Inc.	Canadian	National	3.8
Beckers Milk Co. Ltd.	Canadian	Ontario	0.4
Southland Canada Inc.	American	Ontario, Western Canada	0.4

* Includes food stores, grocery, confectionery and sundries, and other food stores.

** Includes Yukon and the Northwest Territories.

*** Estimated Canadian grocery sales only, 1987.

N/A Not available

Sources: Statistics Canada, *Financial Post* 500 (summer 1987) and Canadian Council of Grocery Distributors estimates.

REPARATION REGIONALE — Moyenne des 3 dernières années

	Chiffre d'affaires (en %)	Emplois (en %)	Établissements (en %)
Alberta	12,0	9,5	11,5
Ontario	15,9	14,6	13,1
Prairies	36,5	41,0	38,4
C.-B. et Yukon	27,5	26,2	27,3
Québec	8,1	7,8	10,8
Atlantique	9,5	11,5	13,1

INTERNATIONAL SOCIETY

Nom	Propriétaire	Régions	Chiffre d'affaires	Annuel/***
Loblaw's Co. Ltd.	canadienne	Tout le pays	5,7	
Steinberg's Inc.	canadienne	Québec, Ontario	3,5	
Canada Safeway Ltd.	américaine	Ouest	3,5	
A&P Co.	américaine/ allemande	Ontario	2,3	
Sobeys Stores Ltd.	canadienne	Est	1,9	
Shilcorp Ltd.	canadienne	Québec, Ontario, Ouest	0,7	
Metro-Richelieu Inc.	canadienne	Québec	1,9	
Osawa Group Ltd.	canadienne	Tout le pays	3,3	
Provigo Inc.	canadienne	Tout le pays	3,8	
Beckers Milk Co. Ltd.	canadienne	Ontario	0,4	
Southland Canada Inc.	américaine	Ontario, Québec	0,4	

* Les montants indiqués sont exprimés en millions de dollars.

** Les montants indiqués sont exprimés en millions de dollars constants de 1981.

*** Les montants indiqués sont exprimés en milliards de dollars.

1 Comprend les dépenses pour les consomérices, les magasins divers et les autres magasins d'alimentation.

2 Comprend le Yukon et les Territoires du Nord-Ouest.

3 Estimations du chiffre d'affaires pour les épiceries seulement en 1987.

Les données utilisées dans ce profil proviennent de Statistique Canada, du *Financial Post 500* (édition 1987) et du Conseil canadien de la distribution alimentaire.

PRINCIPALES STATISTIQUES

CTI 6011 (1980)

1973	1981	1982	1983	1984	1985	1986
STATISTIQUES COMMERCIALES						
Chiffre d'affaires*	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Etablissements	n.d.	28 295	29 634	31 983	32 792	35 584
Emplois	n.d.	n.d.	n.d.	212 100	222 900	235 400
Chiffre d'affaires*	5 065	13 707	14 719	15 299	16 324	17 418
Chambers	4 318	10 795	12 073	12 987	13 865	14 883
Indépendants	9 383	24 502	26 792	28 286	30 189	32 256
Total	9 383	24 502	26 792	28 286	30 189	34 631
Produit intérieur brut** (en %)	n.d.	3 834,5	3 382,7	3 489,2	3 666,0	3 824,8
Produit intérieur brut**	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Investissements immobiliers	1973	1981	1982	1983	1984	1985
Total	n.d.	212,7	215,3	196,3	224,8	183,3
Revenu total (en %)	1,3	1,2	1,1	1,1	1,1	1,0
Capital utilisé (en %)	7,4	11,4	10,1	9,2	9,5	8,7
Capitalisations (en %)	5,9	8,1	7,2	6,7	6,9	6,3
Bénéfices après impôts (en %)	1,2	1,1	1,1	1,1	1,1	n.d.
Capital utilisé (en %)	7,4	11,4	10,1	9,2	9,5	n.d.
Revenu total (en %)	1,3	1,2	1,1	1,1	1,1	n.d.
Dette	Rapport du chiffre d'affaires à long terme (en %)	20,6	32,0	30,6	30,1	32,3
Rapport du chiffre d'affaires aux stocks (fois)	15,6	15,8	16,3	16,0	15,7	15,8

4. Evaluation de la compétitivité

4. Evaluation de la compétitivité

Depuis la récession de 1981-1982, le secteur canadien de l'énergie doit s'adapter à un milieu où la concurrence est beaucoup plus vive et travaille à accroître sa productivité. Ce secteur très dynamique se compare fort bien au secteur américain et il est bien placé pour répondre aux besoins du marché canadien. Toutefois, il doit desormais s'adapter à un marché caractérisé par la faible croissance de la population et d'importants changements démographiques. Les grandes chaînes de supermarchés, qui dérangent du terrain au profit des regroupements volontaires d'indépendants, devront s'efforcer de compenser les avantages dont jouissent leurs concurrentes au chapitre des coûts. Pour récupérer leur part du marché, elles devront exécuter de vastes programmes de renovation et créer de nouveaux types de magasins.

Tout épicer qui augmente actuellement sa part du marché le fait au détriment d'un concurrent. Dans un milieu où la concurrence est aussi serrée, les sociétés les plus novatrices et les plus dynamiques l'emportent sur les plus faibles.

La concurrence est positive sur ce secteur car il élargira les sources d'approvisionnement, facilitera la diffusion de nouveaux concepts et produits et stimulera la concurrence.

Pour de plus amples renseignements sur ce dossier, s'adresser à :

Industries des services et des biens de consommation
Industrie, Sciences et Technologies Canada
Objet : Épicerie de détail
235, rue Queen
Ottawa (Ontario)
K1A 0H5

Tél. : (613) 954-2962

L'Accord de libre-échange aura des répercussions généralement positives sur ce secteur, car il élargira les sources d'approvisionnement, facilitera la diffusion de nouveaux concepts et produits et stimulera la concurrence.

Pour de plus amples renseignements sur ce dossier, s'adresser à :

Industries des services
et des biens de consommation
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235, rue Queen
Ottawa (Ontario)
K1A 0H5

Les restaurants lieront une concurrence plus serrée aux épiceries qui proposent en offrant plus de produits spéciaux, de plats cuisinés, d'aliments fins et même, dans certains cas, des repas-minute. Les restaurateurs doivent ouvrir des services de commandes prêtes-à-manger pour répondre aux besoins de la clientèle. Ils doivent également développer des méthodes de travail qui favorisent l'innovation et l'originalité.

Ensuite, les restaurateurs doivent améliorer leurs méthodes de travail à l'aide de technologies modernes. Ils doivent également développer des stratégies marketing pour attirer de nouveaux clients et garder les clients actuels. Ils doivent également développer des partenariats avec d'autres entreprises pour offrir des services supplémentaires.

Enfin, les restaurateurs doivent se concentrer sur la qualité des aliments qu'ils servent. Ils doivent utiliser des ingrédients frais et locaux autant que possible. Ils doivent également développer des recettes originales et délicieuses pour séduire les clients.

En conclusion, pour réussir dans le secteur de la restauration, il est essentiel de développer une stratégie marketing efficace, d'améliorer les méthodes de travail et de se concentrer sur la qualité des aliments.

Les changements démorphogéniques et l'évolution du mode de vie — augmentation du nombre de femmes sur le marché du travail, accroissement des achats, apparition d'une clientèle d'origine étrangère, vécuillissement de la population — posent un énorme défi aux épiciers. La diversité des goûts et des comportements des consommateurs favorise la segmentation du marché et la création de divers types de magasins pouvant mieux servir la clientèle. Aux supermarchés classiques s'ajoutent des magasins épiciers fins, magasins d'aliments naturels, supermarchés gérants, magasins de type entrepot, d'établissements, comme les grands magasins, les stations-service et les pharmacies, vendent de plus en plus de produits alimentaires, tandis que les épiciers eux-mêmes offrent un nombre croissant d'articles non alimentaires. Tous les types de détaillants cherchent à accroître leurs ventes et leurs bénéfices en modifiant leurs gammes de produits.

3. Evolution de l'environnement

Autres facteurs

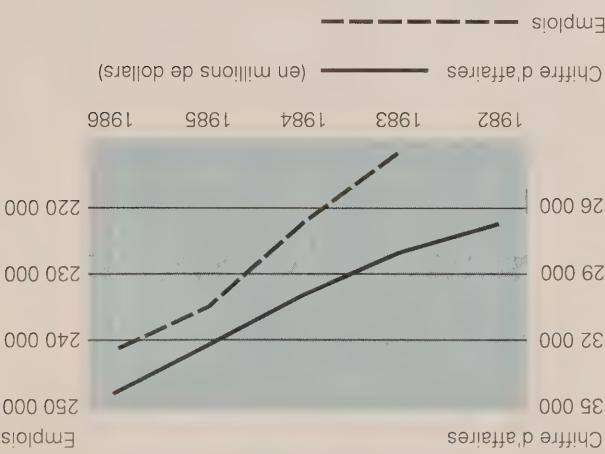
- La réforme fiscale et la déréglementation des transports sont 2 mesures particulièrement importantes pour les épicières de détail.
- La première phase de la réforme fiscale devrait avouer des répercussions positives sur la situation financière des épicières, puisque les taux d'imposition des particulières et des sociétés climatériques sont à la seconde phase, soit la réforme de la taxe de vente fédérale, bien qu'elle ne semble pas pour l'instant être difficile d'en éviter les conséquences sur la dévotion s'appliquer au secteur de l'alimentation, il est difficile d'en éviter les marchés et la compétitivité structurale des prix, les marchés et la compétitivité au Canada, les épicières devraient pouvoir réduire leurs frais de transport et accroître leur efficacité.
- Grâce à la déréglementation des transports provinciales ne déreglementent pas complètement le camionnage, les privatisations d'avantages importants. La vente de bière et de vins ainsi que l'ouverture des magasins le dimanche continuent de susciter un intérêt important dans ce secteur, surtout en Ontario et au Québec. Tout changement dans ces domaines pourrait modifier la compétitivité des différents détaillants ainsi que les supports des autres détaillants.

La technologie d'ici peu risquera de se laisser distancer par leurs concurrents qui s'en servent pour réduire leurs coûts, améliorer leur productivité et augmenter leur part du marché.

Le passage à l'échelon supérieur des entreprises de commerce, des fabricants et des distributeurs facilitera le travaillement des factures et des commandes en ligne. Elle présente plusieurs avantages, accélérant le traitement des factures et des commandes et améliorant le confort des stocks et les détails de livraison. Un des plus grands détaillants en épicerie s'est converti à la télématique et d'autres devraient lui emboîter le pas. Les sociétés qui n'adopteront pas cette technologie d'ici peu risqueront de se laisser distancer par leurs concurrents qui s'en servent pour réduire leurs coûts, améliorer leur productivité et augmenter leur part du marché.

Les études de faisabilité sur les produits permettent de mesurer avec précision la rentabilité de chaque produit en calculant tous les coûts en jeu, de la fabrication à la vente au détail. Cette méthode devrait devenir un outil de gestion essentiel pour aider les détaillants à faire leurs achats en meilleure connaissance de cause.

Les épiceries canadiennes suivent de très près leurs concurrentes américaines au chapitre des lecteurs optiques. Dans son étude, Nielsen Marketing Research estimait qu'aux États-Unis, le marketing optique était de 51 P. 100 en 1986 et devrait atteindre 68 P. 100 en 1991. Per contre, au Canada, la vente des effectifs optiques pour les magasins dotés de lecteurs optiques est à peine supérieure à celle des magasins non équipés.



Dans le secteur du commerce de détail, les épiciers sont généralement des chefs de file en matière de technologie. Au cours de la dernière décennie, elles ont automatisé leurs activités à un rythme croissant. Les grandes chaînes ont donc introduit les systèmes d'information de gestion (SIG) et les systèmes d'information de vente (SIV). Ces derniers permettent aux enseignes de gérer efficacement leur activité commerciale et de réduire les coûts. Les SIG sont utilisés pour suivre l'inventaire, gérer les achats, prévoir les ventes et optimiser les stratégies de marketing. Les SIV sont utilisés pour suivre les ventes en temps réel, analyser les tendances et faire des prévisions. Ces deux types de systèmes sont intégrés pour créer une chaîne logistique fluide et efficace.

Facteurs techniques

Pratiques illégales au commerce

Les obstacles au commerce comme les droits de douane et les quotas d'importation limitent l'accès des épiceries aux sources d'approvisionnement, ce qui fait monter les prix à la consommation. Les détaillants qui se sont installés à l'étranger font face à des obstacles semblables qui les empêchent de se procurer certains articles auprès de leurs fournisseurs canadiens habituels. Quelques détaillants ont toutefois réussi à percer sur les marchés d'exportation en créant leurs propres marques.

Parmi les dispositions de l'Accord de libre-échange entre le Canada et les États-Unis qui touchent ce secteur, 10 ans des tarifs imposés sur la plupart des produits d'épicerie et des produits agricoles transfrontaliers ou semi-transfrontaliers; la disposition facilitant les séjours temporaires des gens dans les régions où la vente de nouvelles entreprises et l'acquisition ou l'expansion d'entreprises en activité.

Facteurs liés au commerce

Par contre, dans le sous-secteur des épiceries, confiseries et « dépanneurs », les chaînes ont vu leur part du marché passer de 21,8 à 30 p. 100 de 1980 à 1986. Les chaînes de dépanneurs détiennent à peu les petites épiceries indépendantes ; en raison de leurs techniques agressives de commerce il y a une forte pression sur les meilleures entreprises qui sont comme les supémacités. Cependant, elles se voient livrer une concurrence plus vive par les principaux supermarchés qui ont proloné leurs heures d'ouverture. Par conséquent, pour maintenir leur compétitivité, elles élargissent leur gamme de produits et de services.

Le sous-secteur des magasins spécialisés, soit les magasins d'aliments exotiques, les magasins de fruits et légumes, les bouchareries, etc., reste dominé par les indépendants qui réalisent 90 p. 100 des ventes. Ces magasins doivent employer plus de main-d'œuvre, mieux connaître les produits et offrir un service plus attentif. En mettant l'accent sur ces facteurs, les indépendants peuvent souvent acquérir un avantage concurrentiel sur les grandes chaînes.

2. Forces et faiblesses

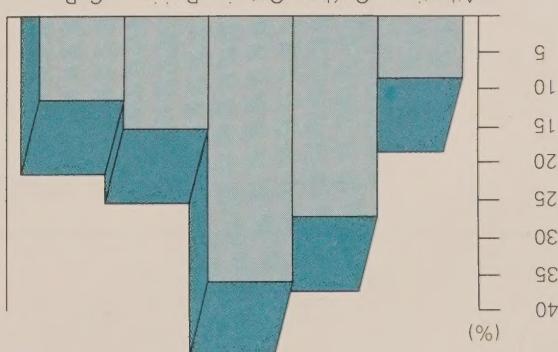
Les bénéfices varient aussi suivant l'envergure des magasins. Selon l'endéuté sur les épiceries menée en 1987 par la revue The Canadian Grocer et les ventes s'élevait à 2,21 p. 100 pour les magasins dont le chiffre d'affaires était inférieur à 5 millions de dollars, à 1,54 p. 100 pour ceux ayant entre 5 et 14 millions d'affaires et à 2,75 p. 100 pour ceux ayant au moins 14 millions. Ces résultats expliquent pourquoi les principales chaînes compétent de plus en plus sur les supermarchés géants pour accroître leur rentabilité.

Pour les épiceries, la croissance des ventes est directement liée à l'essor démographique et à la hausse des revenus. Or, au cours des années 80, ces ventes n'ont progressé que de 1 à 2%. 100 par an compte tenu de l'inflation car, pendant cette période, la population et les revenus ont peu augmenté. Le secteur des épiceries n'a donc part du produit intérieur brut du commerce de détail restées stables à 1,1 et à 15 p. 100 respectivement. La régularité de la croissance dans l'ensemble de ce secteur ne reflète pas les variations considérables qui existent d'un sous-secteur à l'autre. De 1980 à 1986, les ventes des supermarchés n'ont progressé que de 53 p. 100, alors que celles des épiceries, confisées et magasins d'articles divers ont crû de 80 p. 100 et celles des magasins spécialisés, de 93 p. 100.

En 1986, les épiciers indépendants, soit ceux possédant 3 magasins ou moins, ont continué d'accroître leur part du marché au détriment des chaînes, soit les regroupements de 4 magasins ou plus appartenant au même propriétaire, dont la part du marché est tombée de 56,4 à 53,6 p. 100 de 1980 à 1986.

Redemption

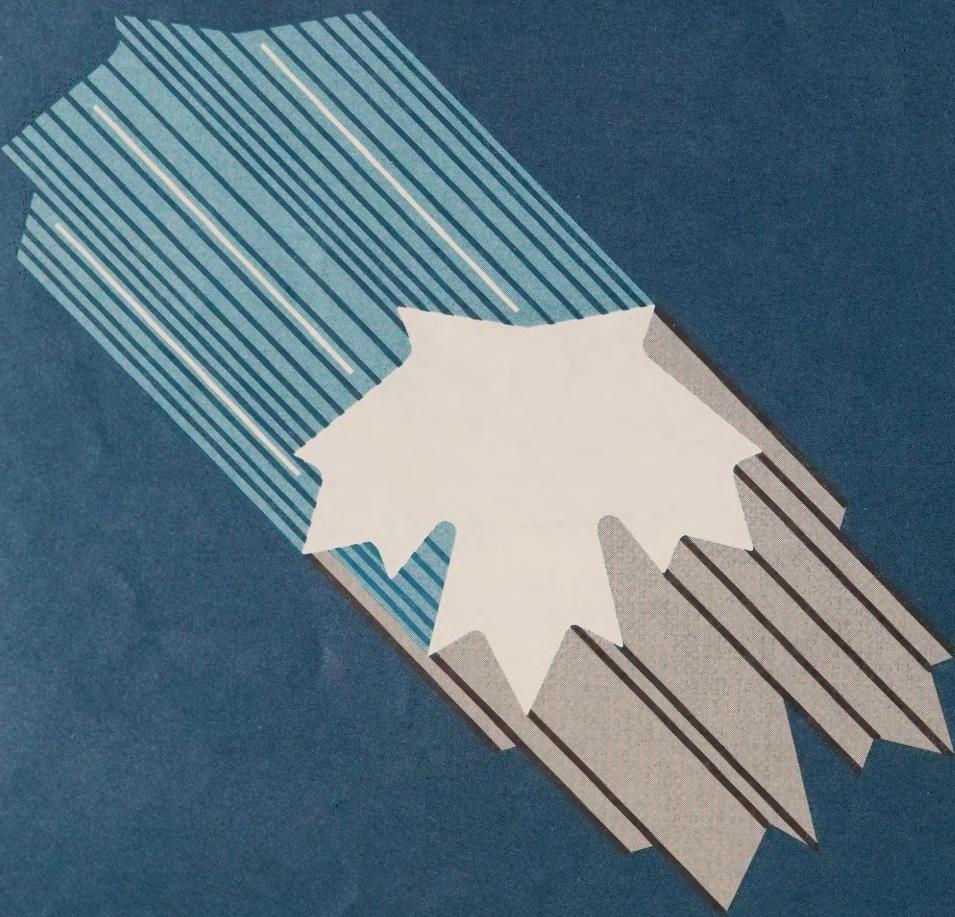
- * Il s'agit de commerces indépendants, tous de même importance, qui se regroupent pour tirer parti des avantages liés à une raison sociale commune, aux achats en gros, etc.



Canada

Épicerie de détail

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